

# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Commissioner Linda M. Hodgdon  
Comptroller Edgar R. Carter



#### Monthly Revenue Summary

#### Analysis (dollars in millions)

(for month)

	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	<b>\$ 113.5</b>	<b>\$ 217.7</b>	<b>\$ (104.2)</b>
<b>Highway</b>	<b>\$ 23.7</b>	<b>\$ 25.0</b>	<b>\$ (1.3)</b>
<b>Fish &amp; Game</b>	<b>\$ 0.6</b>	<b>\$ 0.8</b>	<b>\$ (0.2)</b>

#### Current Month Analysis

##### Total unrestricted revenue receipts

Total receipts for October were \$113.5, bringing year-to-date receipts to \$497.4. This is lower than plan by (47.9%) for the month and (17%) year-to-date which is due to taxpayers delaying their payments of Medicaid Enhancement Tax (MET). MET is a tax imposed on net patient services revenue and is due in October of each year. Per the Department of Revenue Administration, payments this year have been delayed by taxpayers as they are asserting ambiguities in the reporting requirements under federal Medicaid law.

Receipts from Traditional Taxes and Transfers are slightly above plan for the month and year-to-date. Compared to same month and year-to-date period of the prior year, receipts from Traditional Taxes and Transfers are favorable by \$4.4 (+4.2%) and \$7.3 (+1.5%), respectively.

##### Tax receipts

**Business taxes** are lower than plan for the current month by (\$2.0) or (7.8%), and (\$2.2) or (1.7%) year-to-date. Similarly, these receipts are lower than the prior year by (\$1.2) or (4.8%) for the month and (\$2.1) or (1.6%) for the same year-to-date period.

**Interest and Dividends tax** showed modestly favorable receipts for the month compared to plan and the prior year; however, year-to-date receipts are (\$2.6) or (13.5%) lower than the prior year. According to the Department of Revenue Administration (DRA), many taxpayers credit all or a portion of their prior year tax refund to their current year tax liabilities. Per DRA, based on the returns filed to date for the 2009 tax year, approximately \$24m was overpaid by taxpayers and only \$8m was requested in refunds. Accordingly, approximately \$16m of refunds will be applied to the 2010 tax year which is slightly higher (5% higher) than the 2008 overpayments applied to the 2009 tax liabilities.

**Meals and rentals tax** receipts were equal to plan for the month and slightly ahead of plan on a year-to-date basis. As stated in prior months' reports, the favorable year-to-date results versus the prior year (\$4.4m or +4.8%) appear to be result of higher visitor activity in the first three months of this year.

**Tobacco tax** receipts are ahead of plan for the month by \$.8 or 4.2% and on a year-to-date basis by \$4.6 or 5.8%. Compared to the prior year, the monthly receipts are higher by \$1.1 or 5.9%. On a year-to-date basis tobacco tax receipts in total were lower by (\$2.2); however, the standard tax revenue was favorable by approximately \$2.4 which was offset by the non-recurring \$4.6 floor tax collected in the prior year as a result of the tax rate increase effective in the prior year.

Year-to-date **Communications tax** receipts are favorable versus plan and prior year by \$3.4 (+13.7%) and \$3.1 (+12.4%), respectively, primarily as a result of the receipt of unanticipated audit revenue this year.

The **Real Estate Transfer tax** is lower than plan by (\$1.4) or (17.3%) for the month and (\$3.8) or (11.3%) year-to-date. Versus the prior year, tax receipts are lower by (\$1.4) or (17.3%) for the month and (\$3.2) or (9.7%) year-to-date. The unfavorable variances are the result of lower than anticipated transaction activity and value of current year real estate transfers.

Analysis continued on page 4

General & Education Funds	<i>FY 11 Actuals</i>	<i>FY 11 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$ 14.4	\$ 16.1	\$ (1.7)	-11%
Business Enterprise Tax	9.4	9.7	(0.3)	-3.1%
Subtotal Business Taxes	23.8	25.8	(2.0)	-7.8%
Meals & Rentals Tax	21.0	21.0	-	0.0%
Tobacco Tax	19.7	18.9	0.8	4.2%
Transfer from Liquor Commission	10.0	9.7	0.3	3.1%
Interest & Dividends Tax	2.6	2.0	0.6	30.0%
Insurance Tax	1.3	1.0	0.3	30.0%
Communications Tax	6.7	6.6	0.1	1.5%
Real Estate Transfer Tax	6.7	8.1	(1.4)	-17.3%
Court Fines & Fees	1.1	1.1	-	0.0%
Securities Revenue	0.6	0.6	-	0.0%
Utility Consumption Tax	0.6	0.5	0.1	20.0%
Board & Care Revenue	2.1	1.8	0.3	16.7%
Beer Tax	1.1	1.0	0.1	10.0%
Racing & Games of Chance	0.2	0.2	-	0.0%
Other	6.3	3.4	2.9	85.3%
Gambling Winnings Tax	0.1	0.1	(0.0)	0.0%
Transfer from Lottery Commission	4.8	6.9	(2.1)	-30.4%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	0.8	-	0.8	-
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	109.6	108.8	0.8	0.7%
Net Medicaid Enhancement Revenue	-	107.5	(107.5)	-100.0%
Recoveries	3.9	1.4	2.5	178.6%
Total Receipts	\$ 113.5	\$ 217.7	\$ (104.2)	-47.9%

All funds reported on a cash basis, dollars in millions.

## RET Analysis

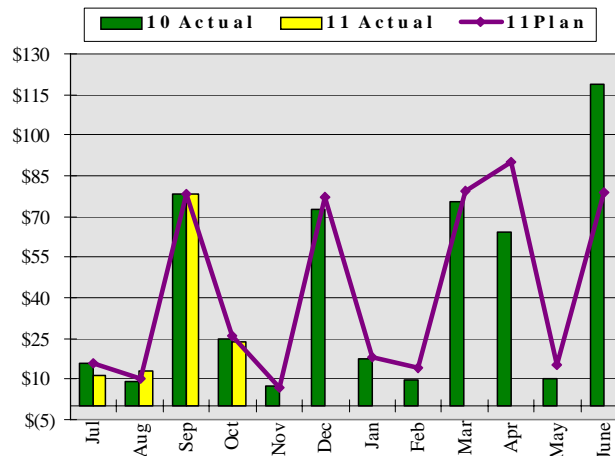
(In Millions)

	Jul	Aug	Sep	Oct
FY11	9.6	6.9	6.6	6.7
FY10	9.0	8.3	7.6	8.1
FY09	11.5	9.9	9.4	8.1
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)
% Mo over Mo	7%	-17%	-13%	-17%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)
% YTD change	7%	-5%	-7%	-10%

## Business Tax Refund Analysis

	Jul	Aug	Sep	Oct
FY11	3.4	0.9	3.5	5.2
FY10	1.6	1.2	2.1	3.6
FY09	1.3	1.4	1.5	5.3
Mo over Mo change	1.8	(0.3)	1.4	1.6
YTD change	1.8	1.5	2.9	4.5

## Business Taxes



The peak months represent due dates for quarterly estimated payments and filings

## General &amp; Education Funds Comparison to FY 10

## Monthly

General & Education Funds	FY 11 Actuals	FY 10 Actuals	Inc/(Dec)
Business Profits Tax	\$ 14.4	\$ 15.5	\$ (1.1)
Business Enterprise Tax	9.4	9.5	(0.1)
Subtotal Business Taxes	23.8	25.0	(1.2)
Meals & Rentals Tax	21.0	20.8	0.2
Tobacco Tax	19.7	18.6	1.1
Transfer from Liquor Commission	10.0	10.0	-
Interest & Dividends Tax	2.6	2.4	0.2
Insurance Tax	1.3	0.7	0.6
Communications Tax	6.7	6.8	(0.1)
Real Estate Transfer Tax	6.7	8.1	(1.4)
Court Fines & Fees	1.1	0.6	0.5
Securities Revenue	0.6	0.4	0.2
Utility Consumption Tax	0.6	0.5	0.1
Board & Care Revenue	2.1	2.0	0.1
Beer Tax	1.1	1.1	-
Racing & Games of Chance	0.2	0.3	(0.1)
Other	6.3	2.3	4.0
Gambling Winnings Tax	0.1	-	0.1
Transfer from Lottery Commission	4.8	5.5	(0.7)
Transfer from Racing & Charitable Gaming	0.1	0.1	-
Tobacco Settlement	-	-	-
Utility Property Tax	0.8	-	0.8
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	109.6	105.2	4.4
Net Medicaid Enhancement Rev	-	97.4	(97.4)
Recoveries	3.9	1.5	2.4
Total Receipts	\$ 113.5	\$ 204.1	\$ (90.6)

## Year-to-Date

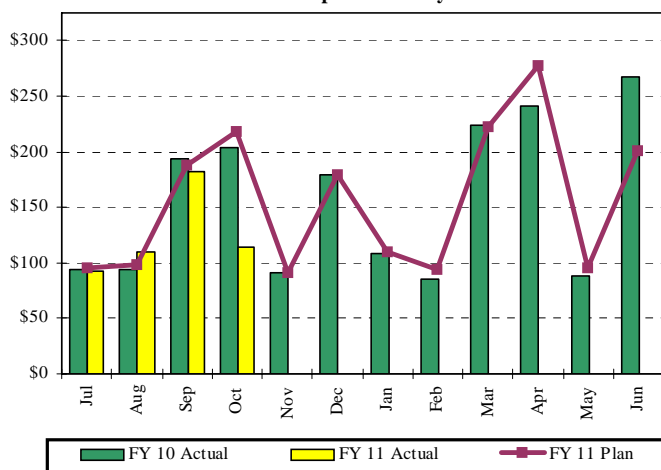
FY 11 Actuals	FY 10 Actuals	Inc/(Dec)	% Inc/(Dec)
\$ 77.1	\$ 79.8	\$ (2.7)	-3.4%
49.2	48.6	0.6	1.2%
126.3	128.4	(2.1)	-1.6%
95.4	91.0	4.4	4.8%
84.2	86.4	(2.2)	-2.5%
43.9	42.3	1.6	3.8%
16.7	19.3	(2.6)	-13.5%
4.5	4.1	0.4	9.8%
28.2	25.1	3.1	12.4%
29.8	33.0	(3.2)	-9.7%
4.6	4.0	0.6	15.0%
2.1	1.4	0.7	50.0%
2.1	2.0	0.1	5.0%
6.8	7.4	(0.6)	-8.1%
5.1	5.0	0.1	2.0%
0.7	0.9	(0.2)	-22.2%
16.0	8.0	8.0	100.0%
1.2	0.4	0.8	200.0%
15.3	17.3	(2.0)	-11.6%
0.3	0.3	-	0.0%
-	-	-	-
7.1	6.7	0.4	6.0%
-	-	-	-
490.3	483.0	7.3	1.5%
0.1	97.8	(97.7)	-99.9%
7.0	4.4	2.6	59.1%
\$ 497.4	\$ 585.2	\$ (87.8)	-15.0%

All funds reported on a cash basis, dollars in millions.

## General and Education Funds

## Year-to-Date Comparison to Plan

General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 63.6	\$ 66.0	\$ (2.4)	\$ 13.5	\$ 14.4	\$ (0.9)	\$ 77.1	\$ 80.4	\$ (3.3)	-4.1%
Business Enterprise Tax	16.8	16.1	0.7	32.4	32.0	0.4	49.2	48.1	1.1	2.3%
Subtotal Business Taxes	80.4	82.1	(1.7)	45.9	46.4	(0.5)	126.3	128.5	(2.2)	-1.7%
Meals & Rentals Tax	93.9	91.2	2.7	1.5	3.3	(1.8)	95.4	94.5	0.9	1.0%
Tobacco Tax	46.9	44.7	2.2	37.3	34.9	2.4	84.2	79.6	4.6	5.8%
Transfer from Liquor Commission	43.9	44.7	(0.8)	-	-	-	43.9	44.7	(0.8)	-1.8%
Interest & Dividends Tax	16.7	16.9	(0.2)	-	-	-	16.7	16.9	(0.2)	-1.2%
Insurance Tax	4.5	3.7	0.8	-	-	-	4.5	3.7	0.8	21.6%
Communications Tax	28.2	24.8	3.4	-	-	-	28.2	24.8	3.4	13.7%
Real Estate Transfer Tax	19.6	22.5	(2.9)	10.2	11.1	(0.9)	29.8	33.6	(3.8)	-11.3%
Court Fines & Fees	4.6	4.3	0.3	-	-	-	4.6	4.3	0.3	7.0%
Securities Revenue	2.1	2.1	-	-	-	-	2.1	2.1	-	0.0%
Utility Consumption Tax	2.1	2.0	0.1	-	-	-	2.1	2.0	0.1	5.0%
Board & Care Revenue	6.8	6.6	0.2	-	-	-	6.8	6.6	0.2	3.0%
Beer Tax	5.1	4.9	0.2	-	-	-	5.1	4.9	0.2	4.1%
Racing & Games of Chance	0.7	0.8	(0.1)	-	-	-	0.7	0.8	(0.1)	-12.5%
Other	16.0	12.5	3.5	-	-	-	16.0	12.5	3.5	28.0%
Gambling Winnings Tax	1.2	0.4	0.8	-	-	-	1.2	0.4	0.8	200.0%
Transfer from Lottery Commission	-	-	-	15.3	20.7	(5.4)	15.3	20.7	(5.4)	-26.1%
Transfer from Racing & Charitable Gaming	-	-	-	0.3	0.3	-	0.3	0.3	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.1	6.5	0.6	7.1	6.5	0.6	9.2%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	372.7	364.2	8.5	117.6	123.2	(5.6)	490.3	487.4	2.9	0.6%
Net Medicaid Enhancement Rev	0.1	108.0	(107.9)	-	-	-	0.1	108.0	(107.9)	-99.9%
Recoveries	7.0	4.1	2.9	-	-	-	7.0	4.1	2.9	70.7%
Total Receipts	\$ 379.8	\$ 476.3	\$ (96.5)	\$ 117.6	\$ 123.2	\$ (5.6)	\$ 497.4	\$ 599.5	\$ (102.1)	-17.0%

General & Education Funds, excluding State Property Tax  
FY 11 Comparative AnalysisEducation Trust Fund  
Statement of Activity - FY 2011  
July 1, 2010 to October 31, 2010

Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	117.6
Expenditures	
Education Grants & Adm Costs	(236.9)
Ending Surplus (Deficit) - unaudited	\$ (119.3)

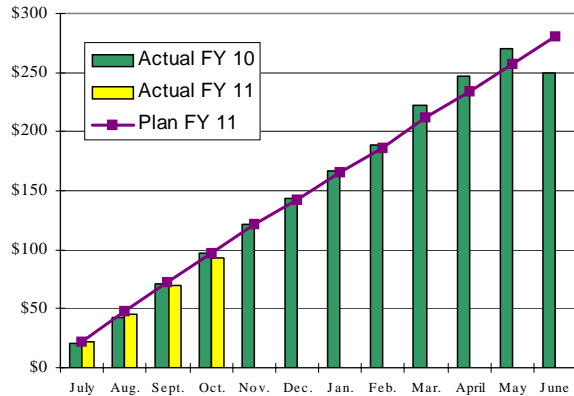
Fiscal 2011 Adequate Education Grant payments of \$594.0 million are paid 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.0 million of grants through local retention of Statewide Property Tax collections.

All funds reported on a cash basis, dollars in millions.

## Highway Fund

Comparison to Plan				
Revenue Category	year-to-date			Actual vs. Plan
	FY 11 Actuals	FY 11 Plan		
Gasoline Road Toll	\$ 43.4	\$ 43.8		\$ (0.4)
Miscellaneous	5.4	8.5		(3.1)
<b>Motor Vehicle Fees</b>				
MV Registrations	34.7	34.3		0.4
MV Operators	1.9	2.2		(0.3)
Inspection Station Fees	1.4	1.3		0.1
MV Miscellaneous Fees	3.8	4.5		(0.7)
Certificate of Title	2.6	2.8		(0.2)
Total Fees	44.4	45.1		(0.7)
<b>Total</b>	<b>\$ 93.2</b>	<b>\$ 97.4</b>		<b>\$ (4.2)</b>

Monthly Comparison to YTD 10 Highway



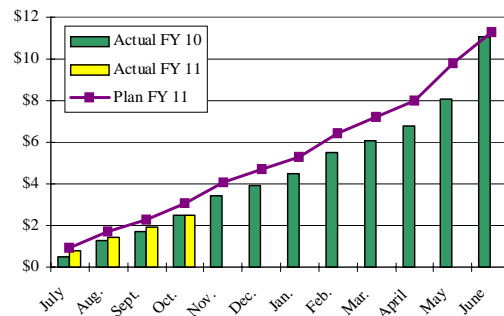
According to **Road Toll Operations**, actual fuel consumption is up approximately 1.5% over the same period last year, but is tracking slightly below the estimate.

According to the Department of Transportation the **Miscellaneous** category is below plan due to the timing of both retro turnpike toll credit transactions and federal indirect billings.

## Fish & Game Fund

Comparison to Plan				
Revenue Category	year-to-date			Actual vs. Plan
	FY 11 Actuals	FY 11 Plan		
Fish and Game Licenses	\$ 1.9	\$ 2.5		\$ (0.6)
Fines and Penalties	-	-		-
Miscellaneous Sales	0.6	0.4		0.2
Federal Recoveries Indirect Costs	-	0.2		(0.2)
<b>Total</b>	<b>\$ 2.5</b>	<b>\$ 3.1</b>		<b>\$ (0.6)</b>

Monthly Comparison to YTD 10 Fish &amp; Game



## Analysis, continued (dollars in millions)

### Enterprises:

Transfers from the **Liquor Commission** represent net profits from this business-like activity. Transfers for current operations were \$0.3 or 3.1% ahead of plan and equal to results of the prior year. On a year-to-date basis, transfers are behind plan by (\$0.8) or (1.8%) but ahead of prior year by \$1.6 or 3.8%. The FY2011 Plan for transfers from the Liquor Commission is approximately 6.1% higher than the FY2010 actual transfers. The current month **Lottery Commission** transfer is deposited to the Education Trust Fund based on the operating results of the prior month. The transfer for October is lower than plan by (\$2.1) or (30.4%) resulting in the unfavorable year-to-date transfer variance to (\$5.4) or (26.1%) versus plan. As compared to the prior year, transfers are lower by (\$0.7) or (12.7%) for the month and by (\$2.0) or (11.6%) year-to-date. The unfavorable variances are the result of the reduced sales of major products which according to Lottery management is consistent with industry experience nationally.

**Other** receipts primarily consist of the recovery/reimbursement of indirect general fund costs from federal programs and non-general fund operations. Agency reimbursement for indirect costs are being received more currently than in the past and more than was expected for FY 2011.

*All funds reported on a cash basis, dollars in millions.*

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